

# ANNUAL PLAN

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## EXECUTIVE SUMMARY

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The FY 2007 Annual Plan represents year four of the FY 2004 – 2008 Consolidated Plan. The five-year outlook continues to reflect challenges for Norfolk and the City has taken a pragmatic approach to addressing these challenges. In preparing the Annual Plan, the following City priorities are the cornerstone of it's development:

- To continue building and maintaining strong neighborhoods;
- To protect and nurture our young people through support for healthy families, education; recreation and libraries;
- To continue to achieve a safe and clean City; and,
- To make investments that promotes growth and financial capacity.

A major goal of the Annual Plan is to build on local assets and coordinate resources to meet the needs of the community and to integrate economic, physical and human development strategies into a comprehensive and synchronized effort. The Annual Plan continues to provide resource allocations for entitlement programs such as the Community Development Block Grant Program (CDBG), Emergency Shelter Grant (ESG), the HOME Investment Partnership Program, and the American Dream Down Payment Initiative (ADDI). The programs are authorized under Title 1 of the Housing and Community Development Act of 1974 administered by the U.S. Department of Housing and Urban Development. These grant monies are used primarily to benefit the lower income residents of Norfolk in three ways:

- By providing decent housing;
- By providing a suitable living environment; and,
- By expanding economic opportunities.

## Available Resources

<b>Community Development Block Grant Program</b>	<b>\$7,255,090</b>
Entitlement	5,298,090
Program Income	779,000
Fund Balance	TBD
Revolving Loan Fund (Rehab Payments)	1,178,000
<b>Emergency Shelter Grant Program</b>	<b>\$224,557</b>
<b>HOME Investment Partnership Program</b>	<b>\$2,190,164</b>
Entitlement	1,790,164
Program Income	400,000
<b>American Dream Down payment Initiative</b>	<b>\$36,661</b>
<b>Total Resources</b>	<b>\$9,706,472</b>

## **Community Development Block Grant Program (CDBG)**

The CDBG Program is a unique federal resource because it allows local officials and citizens unprecedented flexibility in designing their own programs within a wide-range of eligible activities. On February 6, 2006, President Bush released his budget to Congress and the CDBG program was proposed to take a 25% cut to formula funding. FY 2007 will be the fifth year in a row that the CDBG Program showed the biggest decrease in more than a decade. There is good news. The CDBG Program continues to be very well supported by members of Congress on both sides of the aisle. It is due to Congressional support that the CDBG Program was saved this year.

The City's allocation for the FY 2007 CDBG Program is \$9,706,472 which includes \$1,178,000 in Revolving Loan Fund dollars. FY 2007 allocation is approximately an 8% decrease from FY 2006 allocation. The major accomplishments of the Approved FY 2007 Annual Plan include funding 100% of last year's sub-recipients, though not at the same level, as well as providing funding for all major categories including homelessness, services to youth and the elderly.

### **COMPARISON OF RESOURCES FY 2006 VS. FY 2007**

	<b>FY 2006</b>	<b>FY 2007</b>	<b>Decreased Amount</b>	<b>% Difference</b>
<b>CDBG</b>	<b>7,996,433</b>	<b>7,255,090</b>	<b>(741,343)</b>	<b>-9%</b>
<b>Entitlement</b>	<b>5,837,933</b>	<b>5,298,090</b>	<b>(539,843)</b>	
<b>Program Income</b>	<b>850,500</b>	<b>779,000</b>	<b>(71,500)</b>	
<b>Revolving Loan Fund</b>	<b>1,308,000</b>	<b>1,178,000</b>	<b>(130,000)</b>	
<b>ESG</b>	<b>228,559</b>	<b>224,557</b>	<b>(4,002)</b>	<b>-2%</b>
<b>HOME</b>	<b>2,292,132</b>	<b>2,190,164</b>	<b>(101,968)</b>	<b>-4%</b>
<b>Entitlement</b>	<b>1,892,132</b>	<b>1,790,164</b>	<b>(101,968)</b>	
<b>Program Income</b>	<b>400,000</b>	<b>400,000</b>		
<b>ADDI</b>	<b>73,471</b>	<b>36,661</b>	<b>(36,810)</b>	<b>-50%</b>
<b>Totals</b>	<b>10,590,595</b>	<b>9,706,472</b>		<b>-8%</b>

## **Land Inventory**

Over the last twelve months, Norfolk Redevelopment and Housing Authority's (NRHA) CDBG acquisition inventory has undergone a detailed evaluation. This evaluation was a result of technical assistance NRHA received from HUD and the City of Norfolk Administrative staff. The results of this evaluation were presented to HUD in the Land Inventory section of the FY2005 Consolidated Annual Performance Evaluation Report (CAPER). This evaluation represents a significant step towards providing a basis from which land analysis can be conducted and from this analysis a determination was made as to how much developable land is owned. In the future, NRHA will continue to work closely with HUD on how it will dispose of land, and most importantly meet the national objectives of the CDBG program. In accomplishing this task, assisted properties of non-developable parcels will be given a basis from which NRHA can begin drafting a land reporting matrix that will address all of its reporting needs, and manage the associated costs for maintaining these properties.

### **HOME Program**

HOME Program funds are designed to spur revitalization of inner-city neighborhoods by providing assistance to first time homebuyers. In FY 2007, HOME funds will provide assistance for the purchase of newly constructed homes, rehabilitation of owner-occupied homes, and improvements of multi-family dwellings.

The strategy in these neighborhoods is to strengthen traditional neighborhood characteristics by rehabilitating homes; building new homes that emulate the impressive architectural style of existing structures; and improving security and aesthetics with streetscape improvements including trees and lighting, and providing key retail services as well as employment opportunities. During FY2006 Homebuyer Assistance Program for the HOME Program, approximately 46 units have been accomplished. In FY 2007, the City expects to complete 54 units.

### **Norfolk Now Home Ownership Program**

The National Association of Realtors (NAR) identified Norfolk and the region as the seventh highest real estate market in the country with a gain of 27.3 percent in the median house prices. The population most impacted by this growth is the low to moderate income population seeking home ownership opportunities.

In FY 2007, the City will directly manage a HOME funded project – Norfolk Now Home Ownership Program. The Norfolk Now Home Ownership Program represents the City's efforts to strengthen neighborhoods through homeownership, economic development and asset accumulation.

### **Emergency Shelter Grant Program (ESG)**

The ESG Program provides homeless persons with basic shelter and essential supportive services. The ESG Program can assist with the operational costs of the facility shelter, and for the administration of the grant. The ESG Program also provides short-term homeless prevention assistance to persons at imminent risk of losing their own housing due to eviction, foreclosure, or utility shutoffs. This Program currently provides funding for 6 emergency shelters.

### **Summary of Citizen Comments and Disposition**

The City of Norfolk is also required to summarize the comments received from the community at various stages of the Annual Plan adoption process and describe actions taken to address these comments. This section summarizes the comments and their disposition from the public received at the open forum, during the public comment period, at the City Planning Commission's public hearing, and also during the City Council's public hearing.

**Approved FY 2007 Annual Plan**

<b>Community Development Block Grant Public Service</b>	
Community Mediation Center	\$ 5,505.00
Foodbank of Southeastern Virginia	\$ 30,000.00
Full Circle/CANDII	\$ 35,508.00
HOMENET*	\$ 75,000.00
International Black Women's Congress – Teen Parenting	\$ 20,034.00
International Black Women's Congress – Certified Nursing	\$ 22,500.00
Joy Ministries Evangelistic Association, Inc.	\$ 12,850.00
Oakmont Community Development	\$ 42,000.00
Park Place School	\$ 30,800.00
Norfolk Public Schools	\$ 32,500.00
Residential Options	\$ 75,000.00
Second Chances Program – Kids of Incarcerated Parents	\$ 35,000.00
Southeastern Tidewater Opportunity Project	\$ 50,000.00
<b>Community Development Block Grant Public Service (continued)</b>	
St. Columba Ecumenical Ministries – Homeless Assistant	\$ 17,000.00
St. Columba Ecumenical Ministries – Transitional Housing	\$ 23,808.00
The Planning Council - Shelterlink	\$ 12,600.00
The Planning Council – Homeless Consortium	\$ 30,500.00
The Salvation Army	\$ 130,869.00
Tidewater AIDS Community Taskforce	\$ 33,924.00
Urban League of Hampton Roads, Inc.	\$ 25,000.00
William A. Hunton YMCA	\$ 25,000.00
Young Men's Christian Association of South Hampton Roads	\$ 42,000.00
Neighborhood Home Maintenance	\$ 60,000.00
Neighborhood Revitalization	\$ 24,743.00
Homelessness Program	\$ 125,000.00
<b>Total CDBG Public Service</b>	<b>\$1,017,141.00</b>

<b>Community Development Project Use</b>	
Independence Center – Home Modifications	\$ 92,820.00
F.O.R. Kids	\$ 75,000.00
Southeastern Tidewater Opportunity Project – Home Maintenance	\$ 136,500.00
Empowerment 2010, Inc.	\$ 85,000.00
Grant Administration	\$ 360,000.00
Neighborhood Code Enforcement	\$ 150,000.00
Public Works – ADA Ramps	\$ 182,000.00
<b>Total CDBG Project Use</b>	<b>\$ 1,081,320.00</b>

<b>Emergency Shelter Grant</b>	
Salvation Army	\$ 25,294.00
St. Columba Ecumenical Ministries	\$ 27,410.00
F.O.R. Kids	\$ 48,850.00
Ecumenical Family Shelter	\$ 49,070.00
The Planning Council	\$ 35,880.00
YWCA of SHR	\$ 26,826.00
Administration	\$ 11,227.00
<b>Total Emergency Shelter Grant</b>	<b>\$ 24,557.00</b>

<b>HOME Program</b>	
Plumb Line CHDO	\$ 103,525.00
Beacon Light CHDO	\$ 70,000.00
Park Place CHDO	\$ 95,000.00
HOME Administration	\$ 219,016.00
Homebuyer Assistance	\$ 813,123.00
Home Program Equity Secure	\$ 500,000.00
CHDO Operating Fund	\$ 89,500.00
Norfolk Now Homeownership Program	\$ 300,000.00
<b>Total HOME Program</b>	<b>\$ 2,190,164.00</b>
<b>American Dream Down Payment Initiative</b>	
Norfolk Redevelopment & Housing Authority	\$ 36,661.00
<b>ADDI Total</b>	<b>\$ 36,661.00</b>

### **NRHA Approved Funding Level**

<b>Activity</b>	<b>FY 2006 Approved</b>	<b>FY 2007 Requested</b>	<b>14% Reduction CAG</b>	<b>9% Reduction PC</b>	<b>City Manager Adjustment</b>
Administration	774,092	774,092	665,719	735,387	<b>735,387</b>
Acquisition	630,572	997,227	857,615	488,352	<b>488,352</b>
Real Estate Delivery Costs	142,630	142,630	122,662	135,499	<b>135,499</b>
Relocation	39,000	104,620	89,973	104,620	<b>104,620</b>
Relocation Delivery Costs	164,610	164,610	141,565	156,380	<b>156,380</b>
Disposition	300,000	300,000	258,000	300,000	<b>300,000</b>
Disposition Delivery Costs	264,872	264,873	227,791	251,629	<b>251,629</b>
Demolition	32,000	70,000	60,200	70,000	<b>70,000</b>
Demolition Delivery Costs	84,849	84,848	72,969	80,606	<b>80,606</b>
Emergency Repair*	250,000	250,000	215,000	250,000	<b>450,000</b>
NRHA Rehabilitation Delivery Costs	431,612	431,612	371,186	410,031	<b>210,031</b>
Construction Support	218,739	218,739	188,116	207,802	<b>207,802</b>
Lamberts Point 25th/38th Street Phase	0	576,287	495,607	788,323	<b>788,323</b>
Lambert's Point South Basin	656,062	0	0	0	<b>0</b>
Park Place East @ Broadway	220,500	0	0	0	<b>0</b>
East Church Improvements	170,000	0	0	0	<b>0</b>
Revolving Loan Fund*	1,308,000	1,178,000	1,178,000	1,178,000	<b>1,178,000</b>
<b>Subtotal</b>	<b>5,687,538</b>	<b>5,557,538</b>	<b>4,944,403</b>	<b>5,156,629</b>	<b>5,156,629</b>
HOMENET	75,000	173,000	75,000	75,000	<b>75,000</b>
<b>Grand Total</b>	<b>5,762,538</b>	<b>5,730,538</b>	<b>5,019,403</b>	<b>5,231,629</b>	<b>5,231,629</b>

CAG - Citizen Advisory Group Recommendation

PC – Planning Commission Recommendation

\*The City is providing \$200,000 to support costs associated with service delivery. This is an effort being made to work towards bringing service delivery costs to an acceptable HUD level.

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